



**AMENDMENT NO. 1
TO
DEVELOPMENT AGREEMENT**

THIS AMENDMENT NO. 1 TO DEVELOPMENT AGREEMENT ("Amendment No. 1") is made and entered into as of the 7 day of December, 2004, between and among **SOUTH JORDAN CITY**, a municipal corporation of the State of Utah ("City"), and **CASTLEWOOD-STERLING VILLAGE, LLC**, a Utah limited liability company ("Castlewood").

RECITALS

A. City and Sterling Village, L.C., a Utah limited liability company ("Sterling") entered into a certain Development Agreement (the "Agreement") dated November 15, 2000, which was recorded on November 27, 2000 as Entry No. 7767861 with the Salt Lake County Recorder's Office. This Amendment No. 1 is intended to amend and modify the Agreement. Except where specifically noted herein, the capitalized terms in the Amendment No. 1 shall have the same meaning as are ascribed to such capitalized terms in the Agreement.

B. Castlewood has purchased approximately 35 acres or real property (the "Property") from Sterling, all of which is subject to the terms and conditions of the Agreement. The Property is more particularly described on the attached Exhibit A, which is incorporated herein by this reference.

C. Castlewood and City desire to amend and modify the Agreement as specifically set forth herein. References to "Developer" in this Amendment No. 1 and in the Agreement shall be deemed to be references to Castlewood.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Castlewood as Developer.** Pursuant to Section 14(a)(1) of the Agreement, City hereby reaffirms its consent that Castlewood be the assignee and successor Developer to Sterling under the terms and conditions of the Agreement as amended and modified by this Amendment No. 1.

2. **Amendment to Section 3 of the Agreement.** Section 3 of the Agreement is hereby amended and modified to provide that single-family homes and "for sale" townhomes shall be acceptable uses and developments in the Project, subject to the City's legislative discretion unless such uses and developments are approved in connection with the final site plan(s).

3. **Amendment to Sections 4 and 12 of the Agreement.** Sections 4 and 12 of the Agreement is hereby amended and modified to provide that all preliminary and final site plan and

related approvals of any kind (including changes to the Conceptual Master Site Plan) shall be reviewed and processed pursuant to current City ordinances and policies.

4. **Amendment to Section 5 of the Agreement.** Section 5 of the Agreement is hereby amended and modified to provide that City shall reasonably approve new Elevation Drawings submitted by Developer for Phase II and Phase III.
5. **Amendment to Section 6(4)(b) of the Agreement.** Section 6(4)(b) of the Agreement is hereby amended and modified to require only that the Phase II unit count be a minimum of 75 units.
6. **Amendment to Section 6(6)(a)(5) of the Agreement.** Section 6(6)(a)(5) of the Agreement is hereby amended and modified to require that the minimum size of units shall be 550 square feet, that at least 60% of the total units shall be not less than 1,000 square feet and at least 80% of the total units shall be not less than 850 square feet.
7. **Amendment to Section 6(6)(a)(6) of the Agreement.** Section 6(6)(a)(6) of the Agreement is hereby amended and modified to require that each single-family home have a two-car garage and that each townhome have a one-car garage, and that at least 70% of the total apartment units from Phase I and all future phases shall have either attached or unattached garages.
8. **Amendment to Section 6(6)(a)(7) of the Agreement.** Section 6(6)(a)(7) of the Agreement is hereby amended and modified to provide that open space requirements shall be approved in connection with the approval of the final site plan(s).
9. **Amendment to Sections 6(6)(a)(10) and (14) of the Agreement.** Sections 6(6)(a)(10) and (14) of the Agreement is hereby amended and modified to allow Developer to reasonably relocate utility and storm drainage easements on the Project to facilitate Phase II and Phase III, with the approval of the applicable utility company or governing body.
10. **Deletion of Section 6(6)(a)(15) of the Agreement.** Section 6(6)(a)(15) of the Agreement is hereby deleted in its entirety. Easements, if any, shall be shown and approved on the final site plan(s).
11. **Amendment to Section 1 of Exhibit D to the Agreement.** Section 1 of Exhibit D to the Agreement is hereby amended and modified to require that non townhomes or apartments shall be closer than 14 feet as measured from exterior building wall to exterior building wall, and no single-family homes shall be closer than 10 feet as measured from exterior building wall to exterior building wall. The City may, in its discretion, approve smaller setbacks in connection with the approval of the final site plan(s).
12. **Amendment to Section 6 of Exhibit D to the Agreement.** Section 6 of Exhibit D to the Agreement is hereby amended and modified to permit Developer to install one (1) additional monument sign for each separate component development of Phase II and Phase III. In addition, at

the City's discretion, Developer may be permitted to install directional signage in the median at two (2) locations along the existing entry road to the Project.

13. **Effect on Agreement.** Except as specifically amended and modified in this Amendment No. 1, all of the provisions contained in the Agreement (dated November 15, 2000) shall continue in full force and effect in accordance with their terms.

14. **No Broker.** No broker, finder, or other independent agent has acted, nor will act, for or on behalf of any of the parties in connection with this Amendment No. 1.

15. **Governing Law.** The laws of the State of Utah shall govern this Amendment No. 1, including, without limitation, the interpretation, construction and validity hereof.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 as of the date above first written.

SOUTH JORDAN CITY

By: William Kent Moneg
Its: Mayor

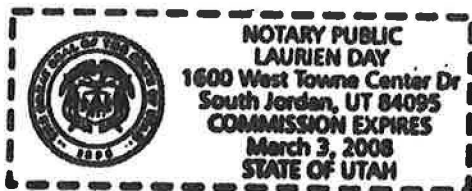
ATTEST:

Anna M. West
City Recorder

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7 day of December, 2004,
by _____.

Lauren Day
Notary Public



CASTLEWOOD-STERLING VILLAGE, LLC

By: [Signature]
Its: Manager

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7th day of Dec, 2004,
by Jeff Duke.



[Signature]
Notary Public

EXHIBIT A

(Legal Description of Property)

Exhibit A

Legal Description

Beginning at a point North, 39.746 feet and East, 911.23 feet from the Southwest Corner of Section 13, Township 3 South, Range 1 West, Salt Lake Base and. Meridian; Running thence S03° 36'28"W, 214.554 feet; thence S75°12'05"E, 147.81 feet; thence S03°36'28"W, 19.28 feet; thence S02°34'30"W, 392.12 feet; thence S02°14'35"W, 235.32 feet; thence S07°17'03"W, 291.40 feet; thence S45°00'00"E, 44.245 feet; thence S07°17'03"W, 60.717 feet; thence South 74.381 feet; thence N89°29'00"E, 130.142 feet; thence South 30.00 feet; thence N89°29'00"E, 598.457 feet; thence S01° 16'56"E, 153.050 feet; thence N89°59'45"E. 36.87 feet; thence North, 5.81 feet; thence 89°48'53"E, 352.27 feet; thence N05°18'15"E, 1500.984 feet; thence S89°41'55"W, 520.00 feet; thence N00°18'05"W, 92.119 feet; thence Northeasterly, 238.249 feet along the arc of a 500.00 foot radius curve to the right (Note: Chord bears N13°20'57"E, 236.002 feet); thence N27°00'00"E, 154.328 feet; thence Northerly, 316.69 feet along the arc of a 955.00 foot radius curve to the left (Note: Chord bears N17°30'00"E, 315.241 feet); thence N08°00'00"E, 90.188 feet; thence Northeasterly, 231.599 feet along the arc of a 400.00 foot radius curve to the right (Note: Chord bears N24°35'13"E, 228.378 feet); thence Northwesterly 40.00 feet along the arc of a 353.00 foot radius curve to the right (Note: Chord bears N45°34'46"W, 39.979 feet); thence N84°40'00"W, 571.197 feet; thence S08°06'05"E, 204.829 feet; thence S10°44'55"W, 575.43 feet; thence N82°07'32"W, 485.319 feet; thence S00°18'05"E, 405.734 feet to the point of beginning.